

**ORDINANCE BY
COMMUNITY DEVELOPMENT/HUMAN RESOURCES COMMITTEE**

ORDINANCE TRANSFERRING APPROPRIATIONS IN THE AMOUNT OF \$15,258.00 FROM CD-34, STREET AND SIDEWALK ASSESSMENT PROGRAM TO CD-574, HARRIS HOUSE FOR THE PURPOSE OF PROVIDING A PORTION OF THE NEEDED TO SETTLE A CLAIM FOR DAMAGES ASSOCIATED WITH THE HARRIS HOUSE RENOVATION PROJECT; AND FOR OTHER PURPOSES.

WHEREAS, project CD-96/97/99/01-574/HM-01-23, Harris House Renovation, was a previously approved project of the City of Atlanta under its CDBG and HOME programs whereby a pass-through grant was to be awarded to Veterans Opportunity Resource Center, Inc. (VORCI) for renovation of its Harris House facility; and

WHEREAS, due to significant financial and performance issues of VORCI, which were documented in a program audit conducted by the Office of the Inspector General of the U. S. Department of Housing and Urban Development, the City of Atlanta determined to terminate the project prior to the start of construction; and

WHEREAS, the project was terminated by Ordinance 02-O-1670, adopted by the Council of the City of Atlanta, Georgia on November 4, 2002 and approved by the Mayor on November 8, 2002; and

WHEREAS, prior to termination the City of Atlanta had entered into a bid process to select the renovation contractor for the Harris House project, and had selected a contractor, FCS Construction Services, Inc.; and

WHEREAS, based on the notification of contract award, FCS Construction Services, Inc. incurred substantial costs in preparation for the implementation of construction; and

WHEREAS, upon termination of the contract FCS Construction Services, Inc. filed claim against the City of Atlanta seeking compensation for these costs; and

WHEREAS, the City Attorney has recommended payment of the claim in the amount of \$76,882.00; and

WHEREAS, of that amount, \$15,258.00 is permissible to be paid from CDBG grant funds.

WHEREAS, the Street and Sidewalk Assessment Program has sufficient funding for the project to continue to serve low-income persons in need of sidewalk repairs

WHEREAS, reallocating \$15,258.00 from the project will not have an adverse impact; and

WHEREAS, the City has obtained release of funds from the U.S. Department of Housing and Urban Development (HUD) for these projects, based on the filing of environmental clearances.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, as follows:

Section 1: That the Twenty-Fourth Year CDBG Program be and is amended hereby as follows:

a. In program element **Homeless Facilities** by adding the project "Harris House Renovation" and the amount "\$15,258.00".

b. In program element **Public Improvements** by deleting in the project "Street and Sidewalk Assessment Program" the amount "\$100,000.00" and inserting in lieu thereof the amount "\$84,742.00".

Section 2: That the 2003 (Community Development Fund) Budget be and is amended hereby as follows:

TRANSFER FROM APPROPRIATIONS

1B01 M22P0404A58A 77****	1998 CDBG Program-Street and Sidewalk Assessment Program, CD-34 Capital Expenses	<u>\$ 15,258.00</u>
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TRANSFER TO APPROPRIATIONS

1B01 J11X0203A58J 79****	1998 CDBG Program-Reserve for Administration Reserve for Appropriations	<u>\$ 15,258.00</u>
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Section 3: That the 2003 (Community Development Fund) Budget be and is amended hereby as follows:

TRANSFER FROM APPROPRIATIONS

1B01 J11X0203A58J 79****	1998 CDBG Program-Reserve for Administration Reserve for Appropriations	<u>\$ 15,258.00</u>
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TRANSFER TO APPROPRIATIONS

1B01 Y46P1089A58A 72****	1998 CDBG Program-Harris House Renovations, CD-574 Other Operating Expenses	<u>\$ 15,258.00</u>
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Section 4: That all ordinances and parts of ordinances in conflict with this ordinance are hereby repealed.